Compass Group PLC

Sustainable Bond Allocation Report

October 2023



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Our Planet Promise is Compass Group's global commitment to a sustainable future for all. It encompasses Compass Group PLC's values as an ethical, sustainable and inclusive business, together with our ambition to positively impact the world. As we accelerate growth in all regions, we will prioritise three areas: environmental leadership, positive procurement and community impact.

In the last year, our purpose has continued to drive innovation and collaboration across the Compass Group as we strengthened partnerships with clients, consumers, employees, business partners and local communities.

As well as being the right thing to do, this mission is also key to our growth aspirations. It will continue to inform our actions as we work towards our worldwide commitment to reach climate net zero by 2050. We issued sustainable bonds in September 2022 to help us in this endeavour.

For more information on our Planet Promise please read our Group Sustainability Report.



Summary of Bond Issuance

In September 2022, Compass Group successfully issued two sustainable bonds, raising proceeds of €500m and £250m, respectively. This bond issuance followed the publication of Compass Group PLC's new Sustainable Financing Framework, which was launched in July 2022 (the Framework).

As set out in the Framework, eligible projects for allocation of proceeds raised under the Framework include:

- expenditure on goods which are certified sustainable, fairtrade or organic
- expenditure on goods from local, socially diverse or minority suppliers
- expenditure in support of Compass Group's Net Zero Commitment such as the costs of electrifying fleet, use of renewable energy, promotion of plant-based products, and investment in regenerative food production
- food waste reduction projects including measurement technologies and systems
- non food waste reduction projects including tackling plastic waste, and the promotion of reusable items
- investment in healthy eating initiatives, including in unit education, labelling and staff training

These eligible projects will be used to progress Compass Group's sustainability initiatives and the delivery of its global Climate Net Zero target.

Details of Sustainable Bonds

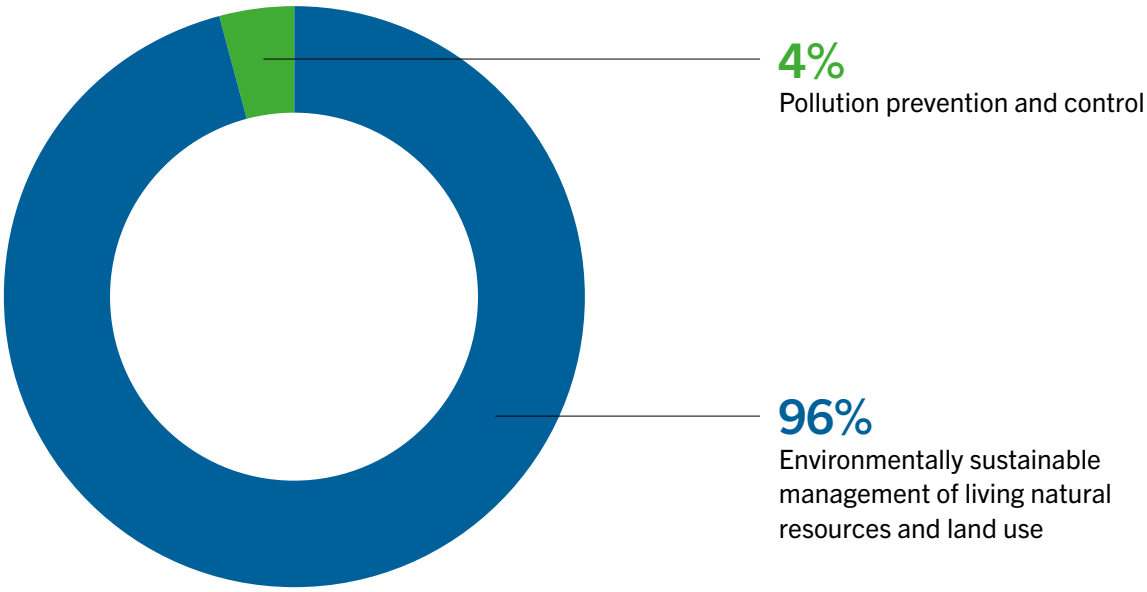
Instrument (ISIN)	Issuance Date	Issuer	Due Date	Coupon	Amount (GBP m)
XS2528582450	2022-09-08	Compass Group PLC	2032-09-08	4.375%	250
XS2528582377	2022-09-08	Compass Group Finance Netherlands B.V. (guaranteed by Compass Group PLC)	2030-03-08	3.000%	439[1]
Total Sustainable Bonds Outstanding					**689**

[1]€500m issued converted at 1 EUR = 0.878 GBP

Allocation of Proceeds[2]

As of September 2023, Compass Group has allocated £342m of the aggregate sustainable bond proceeds to expenditures which were incurred within the 36 months preceding the issuance date. This leaves the balance of £347m unallocated. The remainder of the proceeds of these inaugural sustainable bonds will be allocated within 24 calendar months of the bond issuance date as set out in the Framework.

To date, proceeds have been allocated to the following categories:



Category	Description	SDG Alignment
Environmentally sustainable management of living natural resources and land use	The funds allocated to 'Environmentally sustainable management of living natural resources and land use' category are operating expenditures on certified ethically traded coffee and tea and certified sustainable fish and seafood. The allocated funds have helped us in our aim to ensure we partner with suppliers who meet our high standards of food safety and quality, business integrity, ethical trade, the protection of human rights, farm animal welfare and sustainability.	
Pollution prevention and control	The funds allocated to the 'Pollution prevention and control' category are operating expenditures related to purchases of plant-based products and/or plant-based ingredients used for plant-forward meals, where these constitute a substitute for meat protein. These funds have helped us to meet consumer demand for more plant-based meals, which is good for the environment because plant-based protein typically has a much lower carbon footprint than meat.	

[2]Further details included in Appendix 1



Impact Metrics

As we described in the Framework, Compass Group also intends to report, where feasible, on the environmental and social impacts of the projects funded with the sustainable bond proceeds, by way of existing sustainability reporting and/or specific impact reports.

The table below shows the impact metrics of the allocated spend, where available:

Environmentally sustainable management of living natural resources and land use	FY2020	FY2021	FY2022
Certified ethically traded coffee and tea as a percentage of the total spend on tea and coffee in our top 25 markets	26%	37%	46%
Certified sustainable fish and seafood as a percentage of the total spend on fish and seafood in our top 25 markets	45%	51%	51%
Total certified spend on ethically traded coffee and tea and certified sustainable fish and seafood in our top 25 markets	£85m	£94m	£148m

Pollution prevention and control[3]	FY2020	FY2021	FY2022
Total verified spend in the US related to purchases of plant-based products and/or plant-based ingredients used for plant-forward meals, where these constituted a substitute for meat protein	N/A	N/A	£15m

Future Reporting

Compass Group PLC intends to publish the use of proceeds spend for the financial year ended 30 September 2023 during the first quarter of the next calendar year as part of its next Group Sustainability Report.

[3]No relevant impact metric available

Appendix 1:

ICMA Harmonised Impact Reporting Template

Living Natural Resources and Land Use Portfolio	Signed Amount	Share of Total Projects	Eligibility for green bonds	Living Natural Resources and Land Use Component	Allocated Amount	Average Age of Expenditures
Portfolio 1: Expenditures on goods certified Sustainable, Fair-trade or Organic, and animal wel-fare standards	£689m	100%	100%	47%[4]	£327m	N/A (Opex)

Pollution Control Portfolio	Signed Amount	Share of Total Projects	Eligibility for green bonds	Pollution Control Component	Allocated Amount	Average Age of Expenditures
Portfolio 1: Expenditures on projects related to waste avoidance e.g. food, energy, plastic	£689m	100%	100%	2%[5]	£15m	N/A (Opex)



[4]This is the percentage allocation to date, the remainder of the proceeds will be allocated within 24 calendar months of the bond issuance as set out in the Framework

[5]This is the percentage allocation to date, the remainder of the proceeds will be allocated within 24 calendar months of the bond issuance as set out in the Framework


COMPASS
GROUP

Limited Assurance Report

To the directors of Compass Group PLC on the verification of total spend and selected impact metrics of sustainable bonds.



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Scope of Work

EcoAct, an Eviden business (www.eco-act.com), was engaged by Compass Group[1] to provide independent limited assurance on the expenditure and selected impact metrics allocated to eligible project categories of sustainable bonds referred to below, as provided by Compass Group to EcoAct and as referenced in Compass Group PLC's Sustainable Bond Allocation Report (to be published in October 2023).

EcoAct conducted the verification of total spend related to certified ethically traded coffee and tea as a percentage of the total spend on tea and coffee and certified sustainable fish and seafood as a percentage of the total spend on fish and seafood. EcoAct also verified the total spend in the US related to purchases of plant-based products and/or plant-based ingredients used for plant-forward meals, where these constituted a substitute for meat protein.

This limited assurance report will outline the summary of work, methodology and further details in relation to EcoAct's opinion as to whether the data provided are fairly stated and free from material error.

Summary of Work Performed

During the assurance engagement, EcoAct performed the following activities and procedures:

Review of Verified Categories: EcoAct reviewed the list of verified project categories provided by Compass Group, against the list of eligible green and/or social expenditure projects (Eligible Sustainable Projects) defined in Compass Group PLC's Sustainable Financing Framework (Framework), ensuring alignment.

Review of Organisational and Reporting Boundaries: EcoAct evaluated Compass Group's organisational and reporting boundaries, to confirm that the agreed scope of the assurance engagement was appropriately defined. The organisational boundary of the sustainability data verification was defined by Compass Group as its top 25 countries of operation by revenue. Sustainability data was collated by country rather than by site.

[1] The use of "Compass Group" in this report may mean Compass Group PLC or one of its group companies, depending on the context in which it is used.

Validation of Data for Accuracy and Consistency: We performed data validation procedures to assess the accuracy and consistency of the reported information provided by Compass Group. This included:

- **Engaging with Data Holders**: Where necessary, we engaged with relevant data holders to obtain additional information, clarifications, or to confirm data accuracy.
- **Testing of Selected Data Back to Evidence**: We conducted testing of selected data elements back to supporting evidence, such as invoices and site records, to verify their accuracy.
- **Validation of Corrective Actions**: No material errors were identified as part of this work. No corrective actions were required.

Exclusions

It was not part of EcoAct's engagement to review the Framework other than as set out in this report, nor to verify the internal tracking and the allocation of funds from the sustainable bond proceeds to the Eligible Sustainable Projects.

Responsibilities

Responsibilities of Compass Group: Compass Group is responsible for the preparation and fair presentation of the information provided. They are also accountable for the design, implementation, and maintenance of the data collection, monitoring, and reporting processes related to information provided.

Responsibilities of EcoAct: As the independent climate consultancy engaged to provide limited assurance, EcoAct's responsibility lies in conducting our assurance procedures with professional competence and due care. Our objective is to express a conclusion on the information provided to us by Compass Group based on our assessment of the evidence gathered during our engagement.

Professional Standards and Adherence to Relevant Guidelines

Throughout our engagement, EcoAct diligently followed recognised professional standards to ensure a thorough and objective examination of the relevant information. These procedures encompassed data validation techniques, verification of information accuracy and consistency, and

engaging with relevant data holders to gather supplementary information where required.

Our professionals have extensive experience in sustainability assurance, including expertise in data validation, environmental reporting, and assurance methodologies. We exercised due care in planning and executing our procedures to provide reliable assurance.

Furthermore, our approach closely aligned with the Sustainability Bond Guidelines, Green Bond Principles and Social Bond Principles established by the International Capital Market Association (ICMA), which were incorporated into the Framework. By doing so, we ensured that the verification was conducted in accordance with industry best practices.

We are confident that our adherence to these procedures and guidelines has enabled us to conduct an independent and robust limited assurance engagement, providing insights into the accuracy and reliability of the reported information.

Statement of independence

EcoAct, an Eviden business, is an international climate consultancy and project developer, helping businesses and organisations succeed in their climate ambitions. Our team has extensive experience in the verification of carbon data, information, systems, and processes. The data described herein was compiled by Compass Group. No member of the EcoAct team has a business relationship with Compass Group, its Directors, or Managers beyond that required of this assignment. To our knowledge there has been no conflict of interest.

Limited Assurance Opinion

Based on the limited assurance procedures conducted, nothing has come to our attention that causes us to believe that the verified disclosures, as described in the Scope of Work, are not, in all material respects, fairly stated, free from material error and omission, and in accordance with the requirements of the Framework.

Restriction of Use/General Engagement Terms

This assurance report is issued for the purposes of the management of Compass Group PLC and/or members of its group only. EcoAct assumes no responsibility with regard to any third parties.

Verified by:	Independent review by:
 **George Baker** **Senior Consultant** EcoAct, an Eviden business London, October 2023 Giacomo Antico **Giacomo Antico** **Senior Consultant** EcoAct, an Eviden business London, October 2023	 **Gavin Tivey** **Principal Consultant** EcoAct, an Eviden business London, October 2023

About EcoAct

EcoAct, an Eviden Business, is an international advisory consultancy and project developer that works with clients to help them succeed in their climate ambitions. We work with many large and complex multinational organisations to offer solutions to their sustainability challenges.

We believe that climate change, energy management and sustainability are drivers of corporate performance and we seek to address business or organisational problems and opportunity in an intelligent way.

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